THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Fixing limits on guarantees extended by the State Governments fall within their purview, as provided under the Article 293 (1) of the Constitution. According to Reserve Bank of India the outstanding guarantees extended by 17 major State Governments stood at Rs. 1,24;813 crores as at the end of March 2000.

The *Technical Committee on State Government Guarantees (1999)* constituted by Reserve Bank of India suggested a number of measures such as selectivity in the provision of guarantees, institution of ceiling, setting up of guarantee redemption fund, etc. Many States have also set up guarantee redemption fund to meet the risk of possible defaults on guarantees.

Prosecution of Hawala Operators

558. SHRI K.C. KONDAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Enforcement Directorate propose to prosecute Hawala Operators/Organisations operating within the country and abroad;

(b) if so, the details thereof; and

(c) the action taken/proposed to be taken in this regard.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) The Enforcement Directorate has launched prosecution against 47 persons involved in hawala operations within the country under FERA, 1973 in the courts of law.

Excise Duty arrears on Private Sector Companies

559. MISS MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) the details of large private sector companies who owe to Government arrears amounting to Rs. 10 crores or more in respect to excise duty;

(b) the details of stages at which these litigations are pending before the Supreme Court, High Courts, Revenue Board CEGAT; and

(c) what mechanism Government propose to adopt to realize this amount from the industries at an early date?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) The information is being collected and will be laid on the Table of the House.

Public schools under Income Tax rules

560. PROF. M.M. AGARWAL : Will the Minister of FINANCE be pleased to state:

(a) whether Government are contemplating to bring all public schools functioning at present in the country under the purview of the Income Tax net, in view of growing tendency to amass money;

(b) if so, the details thereof and if not, the reasons therefore; and

(c) the effective measures being taken or proposed to be taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) No fresh tax proposal is under consideration for levy of new taxes on the public schools. The public schools, however, are required to pay income-tax as per provisions of law unless their income is specifically exempt under section 10(23C) or section 11 of the Income-tax Act.

Deposits in Co-operative Banks

561. SHRI BRAHMAKUMAR BHATT: Will the Minister of FINANCE be pleased to state:

(a) whether there are some laws under which the ordinary depositors' deposits in the cooperative banks are safe;

(b) if so, whether depositors have been paid their deposits with interest after a cooperative bank has defaulted;

(c) if not, whether Government would frame laws to protect the interest of ordinary depositors; and

(d) if so, by when?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Reserved Bank of India (RBI) has reported that deposits of the cooperative banks are insured by Deposit Insurance